



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

m/045/024

November 27, 2001

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 4424

Ross Staffel
Chemical Lime Company of Arizona
P.O. Box 985004
Fort Worth, Texas 76185

Re: Formal Approval of Form and Amount of Replacement Sureties, Chemical Lime Company of Arizona, Marblehead Mountain (M/045/024) and Grantsville Quarry (M/045/028), Tooele County, Utah

Dear Mr. Staffel:

On November 16, 2001, the Associate Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for Chemical Lime Company of Arizona's Marblehead Mountain and Grantsville Quarry mines. The replacement surety for Marblehead Mountain has been through our five-year review and has been updated to year 2006 dollars. Chemical Lime has posted a \$382,600 surety bond _____ issued by Travelers Casualty and Surety Company of America (Travelers), which replaces the National Union Fire Insurance Company surety bond _____. On November 19, 2001, we received notification that the surety bond _____ will be cancelled in 90 days. There is no problem in canceling this bond prior to that date now that we have the replacement surety in place.

Chemical Lime also replaced the existing Grantsville Quarry surety. The five-year review for this site has not yet been completed. Therefore, the \$265,700 surety bond _____ issued by Travelers replaces the existing National Union Fire Insurance Company surety bond _____. This surety is still in 1998 dollars. When the Division completes the five year review for this site, the surety will have to be readjusted, which can be done by means of a surety bond rider.

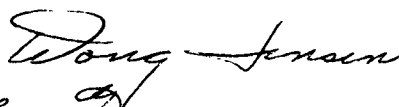

The Division hereby grants final approval of your replacement sureties for the Marblehead Mountain and Grantsville Quarry. We have enclosed copies of the replacement surety bonds and replacement Reclamation Contracts for your records. We have also enclosed the Marblehead Mountain original surety bonds _____ with the original Reclamation

Page 2
Ross Staffel
M/045/024 & M/045/028
November 16, 2001

Contract dated 3/23/94 and the Grantsville Quarry original surety bond _____, with original Reclamation Contract dated 3/8/95 for your disposal.

Thank you for your help in finalizing these replacement sureties. With our present workload, we anticipate the five-year review of the Grantsville quarry may not be done until after the first of the year. Please call me at (801) 538-5286 or Doug Jensen at 538-5382 if you have any questions in this regard.

Sincerely,


for 

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: 2 original RC's dated 3/8/95 & 3/23/94
2 original surety bonds _____
copies of 2 RC's w/ surety bonds _____
cc: Opie Abeyta, BLM Utah State Office, with RC & surety bond
Doug Jensen, DOGM
chemical lime-apv-sureties.doc

FORM MR-RC
Revised April 4, 2001
RECLAMATION CONTRACT

File Number M/045024

Effective Date Nov 16, 2001

Other Agency File Number _____

RECEIVED

NOV 13 2001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

DIVISION OF
OIL, GAS AND MINING

RECLAMATION CONTRACT

--ooOoo--

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

Marblehead Mountain M/045024

Processing of Limestone

"MINE LOCATION":
(Name of Mine)
(Description)

Marblehead; from Salt Lake City, UT
I-80W Exit #70 toward Delle for
8 1/2 miles

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

80 acres
(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

Chemical Lime Company of Arizona
P.O. Box 985004
Fort Worth, TX. 76185

(Phone)

(817) 732-8164

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

CSO The Prentice-Hall Corporation System, I

201 South Main Street

One Utah Center

Salt Lake City, Utah 84111

(f) (801) 536-6111

"OPERATOR'S OFFICER(S)":

James Nichols - Snr. VP COO

James Ehle - Snr. VP

Stephen Barnish - Snr. VP CFO

Ross Staffel - Asst. Sec. / Treasurer

Surety Bond

Bond No. 103712715

"SURETY":

(Form of Surety - Attachment B)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Travelers Casualty & Surety Co. of
America Bond No.**"SURETY AMOUNT":**

(Escalated Dollars)

\$382,600.00

"ESCALATION YEAR":

2006

"STATE":**"DIVISION":**

State of Utah

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Chemical Lime Company of Arizona the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045024 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated August 3rd 1989, and the original Reclamation Plan dated August 3rd 1989. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Chemical Lime Company of Arizona

Operator Name

By James Ehle

Authorized Officer (Typed or Printed)

Senior Vice President

Authorized Officer - Position

James L Ehle

Officer's Signature

11/9/01

Date

STATE OF TEXAS)COUNTY OF TARRANT) SS:

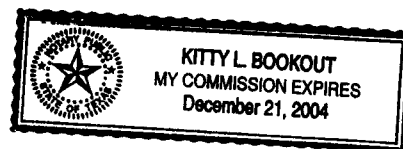
On the 9 day of November, 20 01, James L. Ehle personally appeared before me, who being by me duly sworn did say that he/she is the Senior Vice President of Chemical Lime Company of Arizona and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said James L. Ehle duly acknowledged to me that said company executed the same.

Kitty L Bookout

Notary Public

Residing at Ft. Worth, Texas12/21/2004

My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By *Mary Ann Wright*
Mary Ann Wright, Associate Director

November 16, 2001
Date

STATE OF *Utah*)
COUNTY OF *Salt Lake*) ss:

On the *16th* day of *November*, 20 *01*, *Mary Ann Wright* personally appeared before me, who being duly sworn did say that she, the said *Mary Ann Wright* is the Associate Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to me that she executed the foregoing document by authority of law on behalf of the State of Utah.

Joelle Burns
Notary Public
Residing at: *Salt Lake City, UT*

4-4-05
My Commission Expires:



ATTACHMENT "A"

Chemical Lime Company of Arizona

Operator

ACT/045/024

Permit Number

Marblehead Mountain Processing Facility

Mine Name

TooeleCounty, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed is:

Approximately 80 acres situated within the E2 NW1/4, Section 2,

Township 1 North, Range 9 West, Salt Lake Meridian, Tooele County, Utah

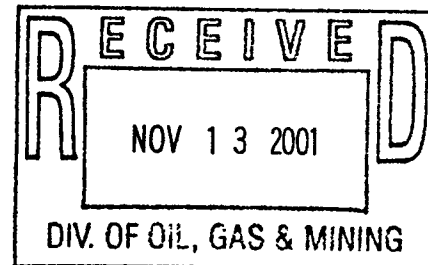
This bond replaces and supercedes bond no.
issued by National Union Fire Insurance Company of
Pittsburgh, PA effective October 4, 2001

ATTACHMENT B

FORM MR-5
January 19, 2000

Bond Number _____
Permit Number M/045/024
Mine Name Marble Head

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Chemical Lime Company of Arizona, as Principal, and Travelers Casualty and Surety Company of America, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of Three hundred Eighty Two Thousand Six Hundred dollars (\$ 382,600.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the 3rd day of August, ~~20~~ 1989, that 80 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the

expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Chemical Lime Company of Arizona
Principal (Permittee)

Ross Staffel
By (Name typed):
Treasurer

Title
[Signature]
Signature

10/29/01
Date

Surety Company
Travelers Casualty and
Surety Company of America
Surety Company Name

Carmen Mims
Surety Company Officer

Attorney-In-Fact
Title/Position

[Signature]
Signature

7920 Belt Line Road, 8th Floor
Street Address

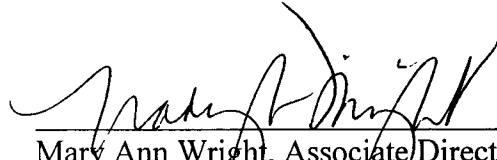
Dallas, TX 75240
City, State, Zip

(72/866-4335
Phone Number

October 4, 2001
Date

SO AGREED this 16th day of November, 20 01.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Mary Ann Wright, Associate Director
Utah State Division of Oil, Gas and Mining

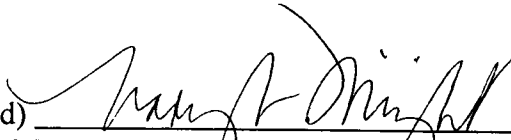
*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

**AFFIDAVIT OF QUALIFICATION
ASSOCIATE DIRECTOR**

--ooOOoo--

Mary Ann Wright, being first duly sworn under oath, deposes and says that she is the Associate Director of Mining for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that she is duly authorized to execute and deliver the foregoing obligations; and that said Associate Director is authorized to execute the same by authority of laws on behalf of the State of Utah.

(Signed)



Mary Ann Wright, Associate Director, Mining
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 16th day of November, 20 01.


Notary Public

My Commission Expires:

4-4, 20 05.



Attest:

STATE OF Utah)

COUNTY OF Salt Lake) ss:

AFFIDAVIT OF QUALIFICATION

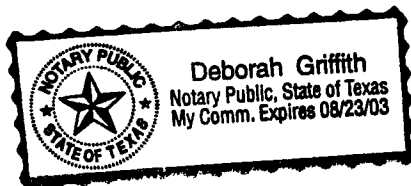
On the 4th day of October, 20 01, Carmen Mims
personally appeared before me, who being by me duly sworn did say that ~~he~~/she, the said
Carmen Mims is the Attorney-In-Fact of
Travelers Casualty and Surety * and duly acknowledged that said instrument was
signed on behalf of said company by authority of its bylaws or a resolution of its board of
directors and said Carmen Mims duly acknowledged to me that said
company executed the same, and that ~~he~~/she is duly authorized to execute and deliver the
foregoing obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and
obligations. * Company of America

Signed: *Carmen Mims*
Surety Officer

Title: Attorney-In-Fact

STATE OF Texas)
) ss:
COUNTY OF Dallas)

Subscribed and sworn to before me this 4th day of October, 2001.



Deborah Griffith
Notary Public Deborah Griffith
Residing at: Dallas, Texas

My Commission Expires:

August 23, 2003

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS
Naperville, Illinois 60563-8458**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, a corporation duly organized under the laws of the State of Illinois, and having its principal office in the City of Naperville, County of DuPage, State of Illinois, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Lawrence W. Waldie, Allyson Dean, Carmen Mims, Brian Lebow or Deborah Griffith, * *

of Dallas, TX, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):

by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto

and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS have caused this instrument to be signed by their Senior Vice President, and their corporate seals to be hereto affixed this 9th day of June, 1999.

STATE OF CONNECTICUT

} SS. Hartford

COUNTY OF HARTFORD

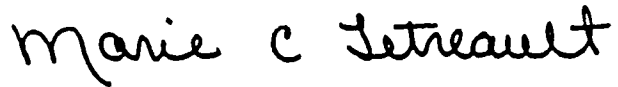
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS



By 
George W. Thompson
Senior Vice President

On this 9th day of June, 1999 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY, FARMINGTON CASUALTY COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.






My commission expires June 30, 2001 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, and TRAVELERS CASUALTY AND SURETY COMPANY OF ILLINOIS, stock corporation of the State of Illinois, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 4th day of October, 2001.



By 
Brian Hoffman
Assistant Secretary, Bond